

Lessons Learned

Louisiana's ReInvent IT Initiative

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ReInvent IT

- Created centralized IT organization for executive branch agencies
- Provides consolidated model for service delivery
- Formally initiated beginning of Louisiana's 2015 fiscal year (7/1/2014)
- Implements realignment in phases
- Intended to minimize costs
- Recovers costs through rate-based model

Scope

- Selected agencies with executive oversight
 - Exempted any agency with a statewide elected official
 - Exempted the legislative and judicial branches
 - Exempted public postsecondary management boards and the Board of Regents
- Out-of-scope agencies can participate voluntarily



Process

- Hired consulting firm
- Created roadmap
 - Interviewed agency CIOs, business leaders and staff
 - Examined existing infrastructure, services, and organization
- Developed consolidation plan
 - 21 actionable deliverables
- Created workgroups for 16 specific areas
 - Voluntary membership
 - In-scope agencies
- Drafted legislation
 - Worked with Louisiana Legislature
 - Passed both houses with one “no” vote
- Began implementation



Source: Louisiana Office of Technology Services



Communications

- Formal plan
 - Phased
 - Tailored to audience
- State CIO met with all impacted employees within five days
- State CIO coordinated with agencies and companies
 - Emphasized one opportunity to do it right
 - Most receptive



Legislation

- HB 1
 - Ordinary operating expenses for the state
 - Authorizes the transfer of IT functions, positions, assets, funds, contracts, and facilities
- HB 262
 - Agency ancillary funds
 - Authorizes the transfer of IT functions, positions, assets, funds, contracts, and facilities
 - Between and within departments
- SB 481
 - Recreates Office of Information Technology (OIT) as the Office of Technology Services (OTS)
 - Expanded the authority of the State CIO
 - Sole authority for defining IT systems and services
 - Annual state master IT plan/strategic IT planning
 - IT standards, architecture and guidelines
 - IT consolidation
 - IT procurement/projects
 - Performance standards

Governance

- OTS is part of the Department of Administration
- Enterprise-wide (Strategy)
 - State CIO
 - Technology Governance Board
 - Data Governance Board
 - Information Security Governance Board
- IT Services and Programs (Direction-setting)
 - Enterprise IT Services Board
 - Agency Relationship Management
 - EPMO/Portfolio Steering
- Project and Service Delivery
 - Operational Groups
 - Customer Relationship Managers
 - Service Leaders
 - End Users

Personnel

- 720 employees moved to OTS in March 2014, before passage of bill
- Agency CIOs became agency relationship managers for each department
- Used human capital to explain benefits of consolidation to smaller agencies
- Careful evaluation when positions become vacant – not filled unless absolutely necessary



Projects

- State CIO working to standardize project oversight
- OTS Staff specifically responsible for process
 - Charge by the hour
 - Staff based on requirements
 - Office of Technology Services does the request for proposal (RFP) if it is more than 50 percent IT-related
 - Agency prepares if less than half IT
- OTS standardizing RFP process and formats
- OTS reviews RFPs and provide guidance

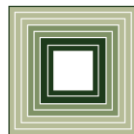
Finance

- Internal service fund
 - \$280 million effective July 1, 2014
 - Focus on OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
- Agency IT funding moved into interagency transfer category
 - Agency cannot spend
 - State CIO is sole authority for all IT procurement for in-scope agencies
- Startup costs
 - Large mainframe to replace older equipment
 - Reduced hardware and software costs
 - Maintenance costs reduced
- Cost recovery
 - State financing option
 - Pay back state over 36 months
 - Level expenditures for rates
- Looked to other states to determine first year savings
 - State CIO indicated potential for savings in the 20% range
 - Legislative fiscal note shows savings of \$24.7 million in the first fiscal year
 - State CIO expects to save more than \$25 million by the end of the first fiscal year
 - State CIO indicated OTS had saved approximately \$6 million as of November 2014

Questions

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